

ADDENDUM A

OVERVIEW OF THE BROKERAGE TRANSPORTATION SYSTEM WITHIN THE OREGON HEALTH PLAN (OHP) FROM 7/26/01 - 7/25/03

The non-emergent medical transportation system is driven by many factors that are largely out of the control of the transportation brokerages. Such things as national and state economies, client eligibility and caseload, state/departmental policy changes, and transportation provider cost and availability are all factors that brokerages must work within. The current waiver period has provided many examples of the extremes that can and do occur within the transportation brokerage system that are created by the environment within which the brokerages operate.

The economy, both nationally and within the state, went into a recession during the first months of the current waiver. This created an increase in caseload that was not anticipated in the projections for the current waiver period. Ride requests by newly eligible clients skyrocketed. The result was a huge increase in numbers of rides for clients within the urban TRI-MET brokerage area with a smaller increase in the rural SETD brokerage area. The RVTB brokerage had just begun operations and was deluged beyond all expectations for rides. Some of the RVTB ride increase was due to pent up demand created by understaffed branches, but the bulk was the result of increased client caseload. The MCCOG brokerage just recently began operations in a region that is extremely rural and was not affected greatly by the caseload increase.

Just after the current waiver period began, the Department of Human Services underwent a reorganization that led to a re-prioritization of programs and services. One of the victims of the reorganization was the Volunteer Program. In many of the newly developed Service Delivery Areas within the state, the Volunteer Program was de-prioritized and has in many regions, disappeared. This has created capacity and cost issues for the transportation program. Within TRI-MET there was no change as they have a limited Volunteer Program. SETD maintained the use of the volunteers within their region. However, RVTB saw a rapid loss of volunteer drivers and had to use more costly means of transportation, coinciding with caseload increases. The MCCOG brokerage area lost all of their volunteers and now depend on more costly means of transportation also.

Due to the devastating effects of the loss of tax revenues because of the economic crisis, the State of Oregon has had to reduce the number of eligibles for transportation as a cost savings effort. As of February 1, 2003, the "Standard" or expanded population under the OHP was excluded from non-emergent transportation services. This created a roller coaster effect within the transportation brokerages. They went from attempting to provide ever increasing numbers of rides to a sharp decrease. Although the initial reports are just arriving, it is apparent that the loss of rides was more often within the cheaper modes of transportation, such as bus tickets/passes. This is because the expanded population was more ambulatory than the "Plus" or categorically eligible clients. Even though there is some retraction within the transportation provider community and price cutting is prevalent, the cost per ride will go up across the state in both brokerage and non-brokerage areas.

The projected costs and ride estimates for the proposed waiver period are based on the latest information and client policy as of 2/1/03. The projected exhibits all show anticipated decreases both in utilization, types of utilization and costs of operations. The various transportation brokerage regions have some unique aspects due to infrastructure and client population, but follow to a larger or lesser degree the pattern of retrenchment.

The State of Oregon is currently only providing non-emergent medical transportation to categorically eligible clients and probably will **only** serve this group well into the foreseeable future due to the economy and resultant public policy.